

LAW OFFICE  
THOMAS F. McFARLAND, P.C.  
208 SOUTH LASALLE STREET - SUITE 1890  
CHICAGO, ILLINOIS 60604-1112  
TELEPHONE (312) 236-0204  
FAX (312) 201-9695  
*mcfarland@aol.com*

THOMAS F. McFARLAND

July 25, 2005

*By electronic mail*

Vernon A. Williams, Secretary  
Surface Transportation Board  
Case Control Unit, Suite 713  
1925 K Street, N.W.  
Washington, DC 20423-0001

Re: Docket No. AB-878, *City of Peoria, Illinois and Village of Peoria Heights,  
Illinois -- Adverse Discontinuance -- Pioneer Industrial Railway Co.*

Dear Mr. Williams:

This refers to a letter to you dated July 18, 2005 from Daniel A. LaKemper, attorney for Pioneer Industrial Railway Co. (PIRY) in the above proceeding.

The content of Mr. LaKemper's letter, especially the second paragraph, appears to be designed to create the impression that PIRY and the Municipalities are exploring options for settlement of the adverse application for discontinuance filed by the Municipalities. That is not so.

The only discussions between PIRY and the Municipalities relate to the manner in which rail service would be provided after discontinuance of PIRY's operating authority. Therefore, the content of Mr. LaKemper's letter does not relate to any of the issues involved in the adverse discontinuance proceeding. There are no pending negotiations for settlement of the issues involved in this proceeding.

The Board is urged not to delay issuance of a decision on the merits of the adverse discontinuance application as a result of Mr. LaKemper's very misleading letter. A decision on the merits of that application is already considerably past due. Pursuant to the explicit terms of

THOMAS F. McFARLAND, P.C.

Vernon A. Williams

July 25, 2005

Page 2

49 C.F.R. § 1152.26, a decision on the merits should have been served on March 6, 2005, which was Day 110 after the filing of the application (application filing date was November 16, 2004). The Board should serve a decision on the merits without further delay.

Very truly yours,

/s/

Thomas F. McFarland  
*Attorney for the Applicants*

*TMcF:kl:wp8.0\1021\e-filestb2*

cc: Daniel LaKemper, Esq., *by e-mail*  
Mr. John W. Gohmann, *by e-mail*  
Randall Ray, Esq., *by e-mail*